Appendix A CENTRAL CALIFORNIA IRRIGATION DISTRICT

RULES GOVERNING PUMPING OF PRIVATE WELLS

FOR WATER CREDITS IN OTHER DISTRICTS

Adopted: February 24, 1993 Revised: October 26, 2007

These Rules are a part of the Central California Irrigation District Water Transfer Policy. Reference to that Policy will be made in interpreting and applying these Rules related to proposals for pumping of private wells for credit in other Districts.

CCID receives its surface water supplies from the Bureau of Reclamation pursuant to the Exchange Contract. The terms of the Exchange Contract limit the quantity of surface water delivered in accordance with a 5-month and 7-month schedule, and, further, limit the monthly quantity of water so delivered. As a result of these constraints, CCID has historically relied on groundwater to supplement surface water especially during peak summer water demand months. CCID is a signatory to the broadly accepted AB 3616 Best Management Practices Memorandum of Understanding. The District adopted an AB 3030 Groundwater Management Plan and actively manages its surface and ground water through tiered water price incentives or disincentives. This conjunctive management protocol gives CCID maximum flexibility to meet the water demands of its growers.

- Except as noted, these rules shall apply to all well water pumped for credit in other districts, either from in-District or outside District wells. Each new request must be reviewed and approved by the Board of Directors.
- All water pumped must meet water quality standards as established by the Board of Directors. Currently, the maximums allowed are:
 - a. 1,500 TDS, 2.0 ppm boron
 - Blended quality downstream of well shall not exceed 700 TDS, 0.5 ppm boron, and no additional selenium detected.
- 3. Water credits may be used in the Recipient District only by the Landowner who owns the ground where the well is located in CCID. Permission to pump a well for credit will be granted to only one owner during the year; permission cannot be transferred to another owner. Landowner as defined in the District Water Transfer Policy requires that the Landowner own both the land to which the well water is credited as used in CCID and the land in the Recipient District and that both interests in land be held for one year prior to January 1st of the year that the transfer is proposed to occur. If a Landowner owns the In-District land on January 1 of the year in which the transfer is proposed and the Landowner was the tenant upon the property in the previous full year and held a written option to purchase, the Landowner shall be treated as complying with this requirement. The parents or natural or adopted children and grandchildren of a Landowner, will be treated as identical with the Landowner for the purposes of transfers

Pumping Rules - Page 1 of 3

because these ownership differences often arise from estate planning, governmental entitlement or similar requirements. If ownership is in an entity such as a corporation or partnership, the Landowner's percentage of ownership will limit the amount of water transferable.

- 3.1. There may be special circumstances in which lands lying adjacent to the District may request that the District allow wells on lands owned by the same Landowner but which wells are also located outside the District boundaries to be pumped into the District system for delivery of the well water from the District system to lands located outside the District owned by the same Landowner; provided, however, that the transfers of well water historically accomplished by the Mall/Craven properties and by the Mosko property, shall be permitted to continue for up to (i) five (5) years subject to the transfer restriction of well water for two (2) out of each three (3) years, or (ii) until the land is sold, whichever date is earlier. In general, the District will apply the same limitations, conditions and policy goals in considering whether to grant or deny those requests.
- 4. A well pumper will be allowed to pump no more than an amount of the groundwater which can be pumped without damaging other landowners or depleting groundwater storage. This amount is currently estimated at 3.0 acre-feet per acre. Acreage for this calculation will include land owned contiguous to the parcel where the well is located, or within five miles of the well. In no case shall the total water allocation per acre to property in other districts exceed the per-acre allocation for CCID's consumers. Water credits may be used on any land that is within a ten-mile radius of the well or in the same groundwater basin, unless a groundwater consultant's report, which consultant and report are approved by the District, shows that the pumping plan will not result in overdrafting and that adverse effects such as subsidence or unreasonable cones of depression affecting other wells within the area will not occur in the vicinity of the well site. This amount of groundwater pumped for transfer purposes may be reduced or curtailed based upon observed impacts or new information regarding groundwater conditions.
- 5. Pumping for credit must be terminated if the pumping has a detrimental impact on neighboring wells or on the groundwater table. In case of a dispute over claims of detrimental impacts, a determination will be made by an independent groundwater consultant chosen by the District, whose decision will be final. All costs for the consultant shall be paid by the well pumper. Curtailment of groundwater pumping may occur during the water year and transfer of well water will be curtailed or terminated in those circumstances.
- Pumping into CCID canals will be allowed only when the pumped water is needed for District water demands.
 - a. CCID's surface water supply delivered by the Bureau is generally restricted in monthly quantity. Consequently, unless the water year is such that CCID is accorded water supply delivery flexibility, all well pumping credits on land must be transferred to the Recipient District in the same month in which the water is pumped.
 - b. A 10% loss factor will be applied to all well water pumped for credit under this policy.
 - c. Every well pumping for credit must have a meter acceptable to CCID.

- 7. There will be an administrative fee of \$2.00 per acre-foot pumped. Other charges to transport well water for credit will be as follows:
 - A District fee based on actual cost of providing this service will be billed at the end of the water season.
 - b. A transfer fee of \$4.00/AF for water users not farming in CCID.
 - c. Additional fees will be charged based on water quality as follows:

0 - 500 ppm TDS: No charge 500 - 1,000 ppm TDS: \$ 5.00/AF

1,000 - 1,500 ppm TDS: \$10.00/AF

Water above 1,500 ppm TDS or 2.0 ppm boron will not be transported.

- d. Any other fees or charges assessed by the Bureau of Reclamation or the receiving districts will be the responsibility of the applicant.
- e. These fees shall be reviewed annually by the Board of Directors and may be revised at that time.
- 8. In order to avoid unreasonable impacts on the water supply, operations, and financial condition of the District and its water users, the District will not approve a proposal to pump well water for credit unless:
 - a. The Recipient District conducts a water conservation program that includes efficient water management practices, or is in compliance with an urban water management plan under Water Code Section 10610 et seq., an urban water shortage contingency plan under Water Code Sections 10621, 10631 and 10656, or an agricultural water management plan adopted pursuant to Water Code Section 10800 et seq.; and
 - b. The Recipient District conducts a drainage program which in the sole determination of CCID assures that the water transfer will not cause a deleterious effect on lands downslope from any lands irrigated as a result of the transfer; and
 - c. The transferee demonstrates that it will not be dependent upon the transferred water supply at the end of the term of the proposed transfer.
 - d. A proposal to pump wells for credit will be approved no more than 2 out of 3 consecutive years. Alteration in the Landowner identity, the well ownership, or the ownership of the land to receive the credit will not avoid this rule. The well may not be subscribed in the program for any purpose for three (3) consecutive years.
- 9. The applicant must in the form of an agreement hold the District harmless against:
 - Claims for damage to the groundwater table from adjacent Landowners;
 - Claims for damages incurred by the applicant in the event the permission to pump for credit is cancelled; and
 - c. Any problems that may arise under this program.
- Permission to pump for credit may be revoked if any of the above terms and conditions are violated.

Pumping Rules - Page 3 of 3

FIREBAUGH CANAL WATER DISTRICT WATER TRANSFER POLICY

Firebaugh Canal Water District has the right to appropriate water from the San Joaquin River. Under the terms of the Exchange Contract with the Bureau of Reclamation, the District receives substitute water generally delivered through the Delta-Mendota Canal to Mendota Pool. The District will permit the transfer of substitute water pursuant to this policy.

- 1. <u>Eligible Transferors</u>. Only District landowners may transfer their water allocation. The District will only permit transfer of water from a landowner within the District to his or her land in a recipient District.
- 2. <u>District Approval</u>. The District strives to manage water transfers so that the water supply, operations, and financial condition of the District and the Exchange Contractors, and water users within the Exchange Contract service area are not unreasonably impacted. In order to obtain District approval of a water transfer proposal, the transferor must demonstrate that the transfer does not unreasonably impact:
 - a. The quantity and quality of the water supply available to the District and its water users:
 - b. The ability of the District to blend irrigation return flow and drainage water in its canals to meet water quality standards imposed by the Regional Water Quality Control Board;
 - c. The Districts operations including, but not limited to the ability of the District to meet its delivery obligations, obtain additional water supplies, and undertake conservation measures, exchanges, and transfers;
 - d. The Districts financial condition and its cost of providing water service to its water users;
 - e. The ability of the District or its water users to provide drainage to lands, including the ability to meet regulatory requirements relating to the discharge of agricultural drainage; and
 - f. Other relevant factors that may create an adverse financial, operations, or water supply impact on the District or its water users.
 - g. The ability of neighboring lands to continue to farm and cultivate crops without the fallowed land creating noxious weeds, dust, insect or disease conditions which may impact those neighboring lands.
- 3. Water Transfer Proposal. All transfers which an individual landowner wishes to make must be presented to the District for processing.

 In any water year, the total water to be transferred shall not exceed that quantity of water that the District determines can be safely transferred without adversely impacting the quantity and quality of the water supply available to the District and its water users. The District will also determine the quantity of water for the water year that the District needs in order to provide for blending of irrigation return flow and drainage water in its canal systems to meet regulatory requirements. The total water allowed to be transferred shall

be computed first after considering these factors and, then, after subtracting the quantity of water needed to offset transportation, evaporation, seepage, metering or measurement error, and any amounts necessary to satisfy agreements with the other Exchange Contractors.

- 4. <u>Consumptive Use Limitation</u>. Only water that would have been consumptively used or irretrievably lost to beneficial use during the term of the transfer may be transferred, and the transfer quantity may not exceed the transferors' allocation of water. The District reserves the right to limit transfers during specific months to the quantity of water that would have been consumptively used or irretrievably lost to beneficial use by the transferor during those months.
- 5. <u>Correlative Share Limitation</u>. The amount of District water that can be transferred without unreasonable impacts on the District and its water users is limited. The District considers the rights of individual landowners to transfer their water supplies to be limited to a correlative share of the total transferable supply. The District will not approve any transfer proposal that would prevent other landowners from transferring their correlative share of the transferable supply of District water.

6. Groundwater Limitations:

- a. General Limitation. The District will not approve any water transfer involving a substitution of groundwater that the District believes (i) is likely to result in significant long-term adverse impacts on groundwater conditions within the District=s service area, (ii) unreasonably interferes with pumping rates or capacities of wells within the Districts service area, or, (iii) interferes with the Districts ability to meet water quality objectives imposed by the Central Valley Regional Water Quality Control Board or other agency having jurisdiction and regulatory authority of the quality of waters used within or discharged from the Districts service area. This limitation shall also apply to water transfer proposals whereby groundwater extracted from lands within the District service area is wheeled in District facilities for use within the Districts service area.
- b. <u>Critical Year Limitation</u>. The District has determined that groundwater pumping within its boundaries during critical water years as defined by the Exchange Contract results in significant long-term adverse impacts on groundwater conditions within the Districts service area that in turn causes unreasonable impacts on the water supply of the District and its water users; therefore, the District will not approve any water transfer proposal that involves pumping of groundwater in critical water years.
- 7. <u>Transfer Limitations</u>. A transfer will not be approved if the District determines that the water transfer is likely to increase drainage requirements or otherwise cause a deleterious effect on District lands downslope of the lands irrigated as a result of the transfer. The transfer will not be approved unless the Transferor's plan for the lands from which the water will be removed includes a full, detailed and feasible plan to maintain any fallowed lands in a condition in which the lands will not create a risk of insect infestation, disease, dust, noxious weeds or other detrimental condition that may affect neighboring lands and assurances that the plan will be implemented.
- 8. <u>Compliance with Law and Regulations</u>. Transfer proposals must comply with all provisions of law including but not limited to the provisions of the California Environmental Quality Act (CEQA).

9. <u>Submission of Proposals:</u>

- a. <u>Preliminary Proposals</u>. A transferor may submit a preliminary water transfer proposal to the District prior to the submission of a formal water transfer proposal. The purpose of a preliminary water transfer proposal is to provide the opportunity for informal review by District staff in order to advise the transferor of possible requirements, conditions or objections if a formal proposal is made. The response of the District to a preliminary proposal shall be deemed tentative and subject to change if a formal transfer proposal is made.
- b. <u>Formal Proposals</u>. No later than the date the formal water transfer proposal is submitted to the USBR, the transferor shall submit two (2) complete copies to the District. A proposal shall be deemed complete for purposes of District review only when it has been deemed complete by the USBR and contains sufficient information for the District to determine the impact of the proposed transfer on operations of the District, and that it has been analyzed for compliance with CEQA. The transferor must supply any additional information requested by the District in order to enable the District to effectively review the proposal.
- 10. <u>Hearings</u>. The District may conduct one or more public hearings in order to determine whether the proposed transfer is likely to have am impact on the water supply, operations and financial condition of the District and its water users, and to ensure compliance with CEQA. The transferor and the transferee, or their representative, shall attend any such hearing if requested to do so by the District in order to respond to questions and comments regarding the impact of the proposed water transfer.
- 11. <u>Future Modifications</u>. District-approved transfers shall be subject to modification from time to time in order to respond to:
 - a. Changes in applicable laws, regulations, contracts and court decisions;
 - b. Changed circumstances that cause a transfer to result in unreasonable impacts on the water supply, operations or financial condition of the District or its water users;
 - c. Proposals by the water users within the District to transfer their correlative share of the Districts transferable water supply.

12. Costs.

- a. The transferor must demonstrate that the transferor has paid or has made acceptable arrangements to pay all costs associated with developing a complete water transfer proposal, including the costs associated with necessary environmental review and District staff and attorney review necessary to process the transfer proposal.
- b. The transferor shall be responsible to pay all costs incurred by the District in processing the water transfer proposal and administering the water transfer itself. Such costs shall be charged to the transferor on a time-and-materials/acre-foot basis

in accordance with generally accepted accounting practices. A deposit, in an amount to be fixed by the Board of Directors, shall accompany the proposal. If it appears to the District that the deposit will be inadequate to cover the Districts costs, the District may issue a written cost estimate, or estimates, to the transferor. The transferor shall deposit with the District the funds necessary to meet such supplemental cost estimates. The District shall charge its costs against the transferors' deposits and shall render an accounting to the transferor upon request, but not more often than monthly. Any unexpended portion of the transferors' deposits shall be refunded upon completion of the transfer. If the transferor fails to deposit sufficient funds to cover the Districts costs, the deficiency shall be due upon submission of an invoice from the District to the transferor. If the transferor fails to pay the invoice, the amount due may, at the District=s election, be added to the transferors property taxes or secured by recordation of a lien certificate pursuant to Water Code '37212.

- 13. <u>Charges</u>. Before any water is transferred in a given water year, the transferor shall pay to the District in full:
 - a. All additional water rates and charges due to the Bureau of Reclamation or other agency that the District is obligated to collect on account of the approved water transfer.
 - b. The Districts water charges for that years water supply to the land from which the water is being transferred
 - c. Any standby charges or assessments attributable to the subject land for the year of the transfer, and any delinquencies on account of past water charges, standby charges or assessments.
- 14. <u>Indemnification</u>. The transferor and transferee are required to defend, indemnify, and hold harmless the District against any claims of third parties that the transfer:
 - a. Violates the terms of the Second Amended Contract for Exchange of Waters, Contract No. Ilr-1144, dated February 14, 1968;
 - b. Is not a beneficial or reasonable use of water;
 - c. Violates any law or regulation including, but not limited to the National Environmental Policy Act (NEPA), CEQA, State and Federal Endangered Species acts, water quality statutes, and Area of Origin laws; or
 - d. Has caused or will cause injury or damage to any person or property, including violations of any contracts, leases, trust deeds or water rights.

The transferor and transferee are also required to defend, indemnify and hold harmless the District from any claims that the transferor or transferees have breached any contractual or statutory duties pertaining to the transfer.

In addition, the transferor shall relinquish for the duration of the approved transfer all entitlement to receive the water supply that is the subject of the approved transfer. The transferor and

transferee shall abide by the termination date of the transfer unless extended in the manner provided by law and shall not contest the return of the transferred water supply to the Districts service area upon such termination.

The transferor shall provide the necessary assurances to the District that the transferee has agreed to abide by the termination date as set forth above and that the transferee has agreed to waive any claim of dependency, detrimental reliance, or intervening public use as a basis for extending the water transfer beyond its approved term.

Prior to approval of the proposed transfer, the transferor shall deliver to the District an agreement, in a form acceptable to the District, signed by the transferor and the transferee, by which they agree to conform to this policy, and in particular to the requirements of this Section.

The agreement shall provide among other terms for the compliance with the plan for maintenance of the land and facilities upon the land from which the water is transferred in such a condition that the land will not create a risk of detrimental impacts to surrounding lands. The District shall be granted the right to perform those measures at the cost of the transferor if the measures are not fully and timely complied with.

15. Water Transfers. Water Transfers for use of water outside of the District boundaries may only be accomplished with the written agreement and compliance with the agreement terms established by the Board of Directors and only in compliance with Federal and State law. Transfers to lands outside of the District boundaries are not a matter of right. If any terms of a written agreement specifying the means and conditions of a transfer shall be violated or fail to be performed, the landowner shall be subject to the penalties provided under the terms of the agreement but shall further be barred from receiving water upon any lands within the boundaries of the District until such time as the District Board of Directors shall determine that the transfer agreement terms have been fully complied with. A breach of the terms of a water transfer agreement which cannot be remedied by physical performance may result in a suspension of the right to receive water for up to one calendar year after a hearing is conducted by the Board of Directors, in addition to the remedies, fines or penalties established under the written agreement and under these rules and regulations.

The foregoing policy was adopted by the Firebaugh Canal Water District at a regular meeting of its Board of Directors on March 11, 1993 and revised in the same manner on October 16, 2001 and July 20, 2004.